

## VIRGINIA:

## BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQUITABLE RESOURCES ENERGY COMPANY )  
 A West Virginia Corporation )  
 )  
 RELIEF SOUGHT: (1) ESTABLISHMENT OF THE 112.69- ) VIRGINIA GAS  
 ACRE DRILLING UNIT DESCRIBED ) AND OIL BOARD  
 IN EXHIBIT "A" HERETO AND SERVED )  
 BY WELL NO. VAD-3738 (herein ) DOCKET NO.  
 "Subject Drilling Unit") PURSUANT ) 97-1021-0613  
 TO § 45.1-361.20, CODE OF )  
 VIRGINIA; AND (2) POOLING OF )  
 INTERESTS IN SUBJECT DRILLING )  
 UNIT PURSUANT TO § 45.1-361.21, )  
 CODE OF VIRGINIA, FOR THE )  
 PRODUCTION OF GAS OTHER THAN )  
 COALBED METHANE GAS FROM )  
 SUBJECT FORMATIONS (herein referred )  
 to as "Conventional Gas" or "Gas") )  
 )  
 LEGAL DESCRIPTION: )  
 )  
 DRILLING UNIT SERVED BY WELL NUMBERED )  
 VAD-3738 TO BE DRILLED IN THE LOCATION )  
 DEPICTED ON EXHIBIT A HERETO, )  
 ANR COAL COMPANY, LLC, WI-76 )  
 POUND QUADRANGLE, )  
 GLADEVILLE MAGISTERIAL DISTRICT, )  
 WISE COUNTY, VIRGINIA )  
 (the "Subject Lands" are more )  
 particularly described on Exhibit )  
 "A", attached hereto and made a )  
 part hereof) )

REPORT OF THE BOARDFINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on October 21, 1997, Breaks Interstate Park, Breaks, Virginia.
2. Appearances: James E. Kaiser of Wilhoit & Kaiser appeared for the Applicant; and Sandra B. Riggs was present to advise the Board.
3. Jurisdiction and Notice: Pursuant to § 45.1-361.1 et seq., Virginia Code, 1950 as amended, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner having

an interest in Subject Drilling Unit underlying and comprised of Subject Lands; (2) has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by § 45.1-361.19, Virginia Code, 1950 as amended, to notice of this application; and (3) that the persons set forth in Amended Exhibit B hereto have been identified by Applicant as owners of Gas interests underlying Subject Drilling Unit, including those who have not heretofore leased, sold or voluntarily agreed with the Applicant to pool their Gas interests in Subject Drilling Unit. Further, the Board has caused notice of this hearing to be published as required by § 45.1-361.19.B, Virginia Code, 1950 as amended. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Amendments: Exhibit B.

5. Dismissals: None.

6. Relief Requested: Applicant requests (1) that pursuant to § 45.1-361.20, Code of Virginia, 1950, as amended, the Board establish Subject Drilling Unit to be served by Well No. VAD-3738; (2) that pursuant to § 45.1-361.21, Code of Virginia, 1950 as amended, the Board pool the rights, interests and estates in and to the Gas of the known and unknown persons listed in Amended Exhibit B hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Gas from the Subject Drilling Unit established from the surface to the total depth drilled of 5,780 feet for all Devonian Shales, including, the Base Lee Sands, Ravencliff, Maxon, Big Lime, Borden, Coffee Shale, Berea, and Devonian, Upper Huron Mbr., Lower Huron Mbr., and White Sands Formations (herein "Subject Formations") underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "well development and/or operation in the Subject Drilling Unit"); and, (3) that the Board designate Applicant as Unit Operator.

7. Relief Granted: The requested relief in this cause be and hereby is granted and: (1) Pursuant to § 45.1-361.20, Code of Virginia, 1950 as amended, the Board hereby establishes Subject Drilling Unit; (2) pursuant to § 45.1-361.21.C.3, Code of Virginia, 1950 as amended, EQUITABLE RESOURCES ENERGY COMPANY (hereafter "Unit Operator") is designated as the Operator authorized to drill and operate Well No. VAD-3738 in the Subject Drilling Unit to produce Conventional Gas from Subject Formations, subject to the permit provisions contained in § 45.1-361.27 et seq., Code of Virginia, 1950 as amended, to § 4 VAC 25-150 et seq., Gas and Oil Regulations and to § 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time; and (3) the rights, interests and estates in and to the Conventional Gas in Subject Drilling Unit including those of the known and unknown persons listed on Amended Exhibit B, attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, leased or unleased, be and hereby are pooled in the Subject Formations in the Subject Drilling Unit underlying and comprised of the Subject Lands.



<u>Subject Formations</u>	<u>Unit Size</u>	<u>Permitted Well Location</u>	<u>Field and Well Classification</u>
Surface to total depth drilled of of 5,780 feet for all Devonian Shales, including the Base Lee Sands, Ravencliff, Maxon, Big Lime, Borden, Coffee Shale, Berea, Devonian, Upper Huron Mbr., Lower Huron Mbr., and White Sands Formations.	Approximately 112.69-acre circular drilling unit	VAD-3738 (See Exhibit A) Depth: 5,780 feet.	No applicable field rules; subject to the statewide spacing requirements of Va. Code § 45.1-361.17

For the Subject Drilling Unit  
underlying and comprised of the Subject  
Land Served by Well No. VAD-3738

Wise County, Virginia

8. Election and Election Period: In the event any Gas owner named in Amended Exhibit B has not heretofore reached a voluntary agreement to share in the operation of the well to be located in Subject Drilling Unit at a rate of payment mutually agreed to by said Gas owner and the Operator, then, such person may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under Paragraph 9 herein to the designated Unit Operator at the address shown below within thirty (30) days from the date this Order is recorded in the county above named. A timely election shall be deemed to have been made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed his written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

- 9.1 Option 1 - To Participate In The Development and Operation of the Drilling Unit: Any Gas owner named in Amended Exhibit B who has not reached a voluntary agreement with the Operator may elect to participate in the development and operation of the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay the estimate of such Participating Operator's proportionate

part of the actual and reasonable costs, including a reasonable supervision fee, of the well development and operation in the Subject Drilling Unit, as more particularly set forth in Virginia Gas and Oil Board Regulation 4 VAC 25-160-100 (herein "Completed for Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Estimated, Completed-for-Production Costs as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The estimated Completed-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs:

\$222,650.00

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operator's percentage Interest Within Unit as set forth in revised Amended Exhibit B times the costs stated immediately above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of his proportionate part of the Estimated, Completed-for-Production Costs as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

- 9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above, any Gas owner named in Amended Exhibit B who has not reached a voluntary agreement with the Operator may elect to accept a cash bonus consideration of \$5.00 per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Gas produced from any well development covered by this Order multiplied by the Gas owner's percentage Interest Within Unit as set forth in Exhibit B (for purposes of this Order, net proceeds shall be actual proceeds received less post-production costs incurred downstream of the wellhead, including, but not limited to, gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person) as fair, reasonable and equitable compensation to be paid to said Gas owner. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within one hundred twenty (120) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Unit has not theretofore



commenced, and once due, shall be tendered, paid or escrowed within thirty (30) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing Gas owner in and to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

The election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to and hereby does lease and assign its right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator.

- 9.3. Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving a cash bonus consideration under Paragraph 9.2 above, any gas owner named in Amended Exhibit B, who has not reached a voluntary agreement with the Operator may elect to share in the development and operation of Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. Such Carried Well Operator's rights, interests, and claims in and to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Unit Operator until the proceeds from the sale of such Carried Well Operator's share of production from Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. When the Unit Operator recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development.

The election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered

hereby and such electing person shall be deemed to have and hereby does assign his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator for the period of time during which his interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event a person entitled to elect fails to do so within the time, in the manner, and in accordance with the terms of this Order one of the alternatives set forth in Paragraph 9 above for which his interest qualifies, then such person shall be deemed to have elected not to participate in the proposed development and operation of Subject Drilling Unit and shall be deemed, subject to any final legal determination of ownership, to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which its interest qualifies and shall be deemed to have leased and/or assigned his right, interests, and claims in and to Gas in the Subject Drilling Unit to the Unit Operator. Persons who fail to properly elect shall be deemed to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the right, interests, and claims of such person in and to the Gas produced from Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event a person so entitled elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Estimated Completed-for-Production costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within sixty (60) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests, and claims of such person in and to the Gas underlying Subject Drilling Unit in the Subject Lands covered hereby, except, however, for any 1/8th royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person pooled hereby is unable to reach a voluntary agreement to share in the operation of the well contemplated by this Order at a rate of payment agreed to mutually by said Gas owner and the Operator, and said person elects or fails to elect to do other than participate under Paragraph 9.1 above in the development and operation of the well in Subject Drilling Unit, then such person shall be deemed to have and shall have assigned unto Unit Operator such person's right, interests, and claims in and to said well, in Subject Formations in Subject Drilling Unit, and other share in and to Gas production to which such person may be entitled



by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said elections.

13. Unit Operator (or Operator): EQUITABLE RESOURCES ENERGY COMPANY be and hereby is designated as Unit Operator authorized to drill and operate Well No. VAD-3738 in Subject Formations in Subject Drilling Unit, all subject to the permit provisions contained in Section 45.1-361.27 et seq., Code of Virginia, 1950 as amended, §§ 4 VAC 25-150 et seq., Gas and Oil Regulations and §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

EQUITABLE RESOURCES ENERGY COMPANY  
P. O. Box 1983  
1989 East Stone Drive  
Kingsport, TN 37662  
Phone: (423) 224-3800  
Fax: (423) 224-3892  
Attn: Dennis R. Baker, Regulatory

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of any well covered hereby within three hundred and sixty-five (365) days from the date of this Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums becoming payable hereunder; otherwise, unless sooner terminated by Order of the Board, this Order shall expire at 12:00 P.M. on the date on which any well covered by this Order is permanently abandoned and plugged. However, in the event an appeal is taken from this Order, then the time between the filing of the Petition for Appeal and the final Order of the Circuit Court shall be excluded in calculating the one year period referenced herein.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas estates, rights, and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are a charge against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating any well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

16.1 Escrow Account: By this Order, the Board instructs the Escrow Agent named herein or any successor named by the Board to establish an interest-bearing escrow account, (herein "the Escrow Account") to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described:

Premier Trust Company  
c/o First Virginia Bank-Mt. Empire  
P. O. Box 1038  
Abingdon, VA 24210  
Telephone: (540) 628-2242  
Fax: (540) 628-2766  
Attention: Ms. Debbie Davis

16.2. Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with any funds of the Unit Operator and shall, pursuant to Section 45.1-361.21.D, Code of Virginia, 1950 as amended, be deposited by the Operator into the Escrow Account, commencing within one hundred twenty (120) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with § 45.1-361.21.D., Code of Virginia, 1950 as amended.

17. Special Findings: The Board specifically and specially finds:

- 17.1 Applicant claims ownership of Gas leases on 70.5952 percent of Subject Drilling Unit and the right to explore for, develop and produce Gas from same.
- 17.2 Applicant is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
- 17.3 Applicant has proposed the drilling of Well No. VAD-3738 on the Subject Drilling Unit at the location depicted in Exhibit A to develop the pool of Gas in Subject Formations.
- 17.4 Set forth in Amended Exhibit B is the name and last known address of each person of record identified by the Applicant as Gas owners within Subject Drilling Unit, including those persons who have not reached a voluntary agreement to share in the operation of Well VAD-3738 as a Conventional Gas Well at a rate of payment agreed to mutually by said gas and oil owners and the Operator. Gas interests released to the Operator represent 29.4048 percent of Subject Drilling Unit.
- 17.5 The proposed depth of Well No. VAD-3738 is 5,780 feet.
- 17.6 The estimated production over the life of the proposed well is 450 million cubic feet.

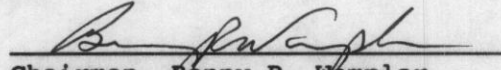


- 17.7 On October 21, 1997, the Board heard and granted Applicant's petition in VGOB Docket No. 97-1021-0612 to pool the 58.82-acre square drilling unit depicted on Exhibit A and located in the Nora Coal Bed Gas Field, pursuant to the provisions of Va. Code §§ 45.1-361.21 and 45.1-361.22, for its development and operation by Applicant for the production of coalbed methane gas through Well VAD-3738 from all Pennsylvanian-aged coals, including, but not limited to Dorchester, Norton, Upper Banner, Kennedy, Jawbone, Greasy Creek, Unnamed A, War Creek, Beckley, Lower Horsepen, and any other unnamed coal seams, coalbeds, and rock strata associated therewith.
- 17.8 Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in any well covered hereby are those options provided in Paragraph 9 above.
- 17.9 The Subject Drilling Unit does not constitute an unreasonable or arbitrary exercise of Applicant's right to explore for or produce Gas.
- 17.9 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person in the Subject Drilling Unit the opportunity to recover or receive, without unnecessary expense, each person's just and fair share of the production of the gas and/or oil from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of gas and oil, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.
18. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of receipt of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of receipt of this Order to each person pooled by this Order whose address is known.
19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).
20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
21. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be

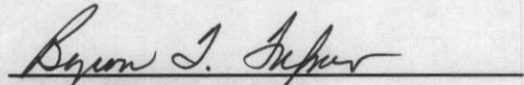
taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 et seq. and Rule 2A of the Rules of the Virginia Supreme Court.

22. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 20<sup>th</sup> day of November, 1997, by a majority of the Virginia Gas and Oil Board.

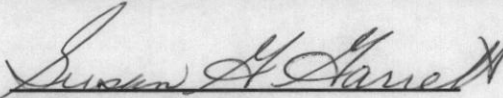
  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 20<sup>th</sup> day of November, 1997, by Order of this Board.

  
Byron Thomas Fulmer  
Principal Executive To The Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA       )  
COUNTY OF WISE        )

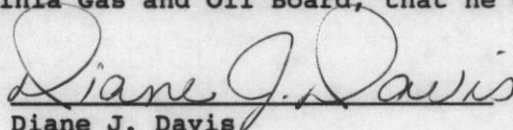
Acknowledged on this 20<sup>th</sup> day of November, 1997, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Susan G. Garrett  
Notary Public

My commission expires July 31, 1998

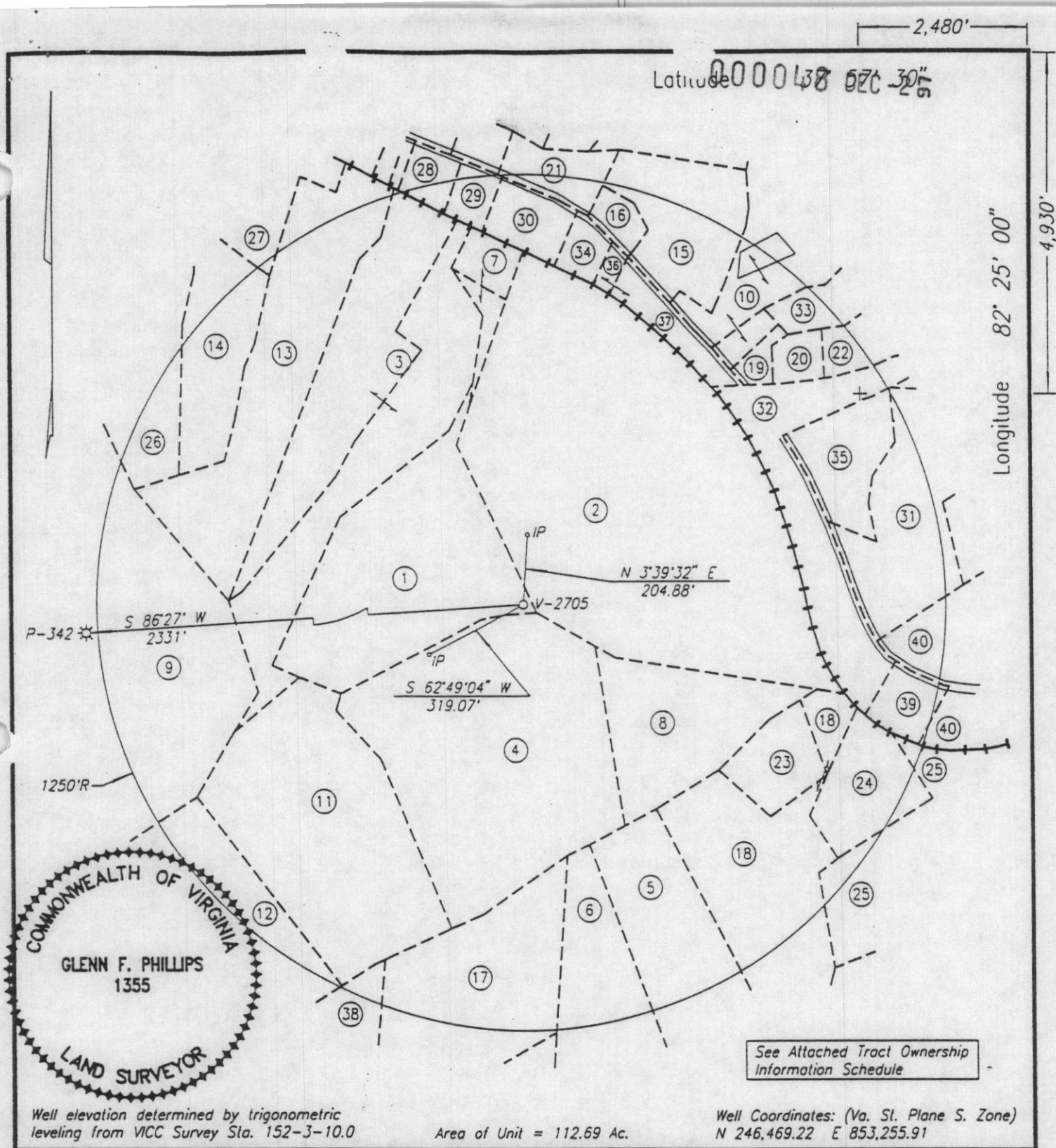
STATE OF VIRGINIA       )  
COUNTY OF WASHINGTON    )

Acknowledged on this 20<sup>th</sup> day of November, 1997, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Diane J. Davis  
Notary Public

My commission expires September 30, 2001





COMPANY Equitable Resources Energy Company WELL NAME AND NUMBER V-2705  
TRACT NO. Lse. No. 245236L ELEVATION 2322.13 QUADRANGLE Coeburn  
COUNTY Wise DISTRICT Lipps SCALE 1" = 400' DATE 8-06-1997

This Plat is a new plat x; an updated plat     ; or a final location plat     

+ Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

Glenn F. Phillips

Licensed Professional Engineer or Licensed Land Surveyor

000049 DEC-25 3,290'

Latitude 37° 02' 30"

Longitude 82° 32' 30"

Lease No. 244779L  
Ethel V Stanley Heirs - gas  
30 Acres  
ANR Coal Company, LLC - oil  
**TRACT #4**

Lease No. 223010L / WI-76  
ANR Coal Company, LLC -  
surface, coal, oil & gas  
J. C. Richmond  
225.993 Acres  
**TRACT #1**

**TRACT #2**

Lease No. 244943L / WI-59  
ANR Coal Company, LLC -  
surface & coal  
M.V. & Lucy Jessee Heirs -  
oil & gas  
Jesse Hubbard  
44.948 Acres

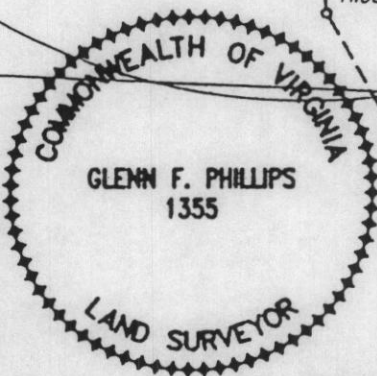
**TRACT #3**

Lease No. 241493L  
Steinman Development Co.,  
a Limited Partnership -  
coal, oil & gas  
96.259 Acres

Well elevation determined by GPS  
survey from VCC Sta. PD 6.2

Well Coordinates: (Va. St. Plane S. Zone)  
N 279,825.00 E 817,304.01

Area of Unit = 58.82 Ac.			
CBM	WI-76	41.79 Ac.	71.05%
	WI-59	12.64 Ac.	21.49%
	241493L	4.39 Ac.	7.46%
Area of Unit = 112.69 Ac.			
CONV.	WI-76	67.52 Ac.	59.92%
GAS	WI-59	38.34 Ac.	34.02%
	241493L	6.24 Ac.	5.54%
	Stanley Heirs	0.59 Ac.	0.52%



WELL LOCATION PLAT

COMPANY Equitable Resources Energy Company WELL NAME AND NUMBER VAD-3738  
TRACT NO. WI-76 ELEVATION 2264.87 QUADRANGLE Pound  
COUNTY Wise DISTRICT Gladeville SCALE 1" = 400' DATE 8-20-1997  
This Plat is a new plat x; an updated plat     ; or a final location plat     

+ Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

*Glenn F. Phillips*

~~Licensed Professional Engineer or~~ Licensed Land Surveyor



**EXHIBIT "B" 000050 DEC-25**  
**Conventional Unit**  
**VAD-3738**  
**VGOB/97/10/21-0613**  
**(revised 10/15/97)**

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
1	ANR Coal Company L.L.C. PO Box 1871 Roanoke, VA 24008	Leased-EREC 223010L Tract No. WI-76	59.920000%	67.5200
2	<b><u>M.V. Jessee and Lucy H. Jessee Heirs</u></b>  <b><u>Jennie Wheatley and Joel Wheatley Heirs</u></b>			
	Charles Wheatley Unknown	Unleased	0.425300%	0.4793
	Venie W. Jessee Unknown	Unleased	0.425300%	0.4793
	Vincent Wheatley Unknown	Unleased	0.425300%	0.4793
	Eugene Wheatley Unknown	Unleased	0.425300%	0.4793
	Tempie W. Miller Unknown	Unleased	0.425300%	0.4793
	Troy Wheatley Unknown	Unleased	0.425300%	0.4793
	Ibbie Wheatley Unknown	Unleased	0.425300%	0.4793
	Minnie Wheatley Unknown	Unleased	0.425300%	0.4793
	<b><u>D. W. Jessee and Gladys Jessee Heirs</u></b>			
	Lora Gillenwater Unknown	Unleased	0.486000%	0.5477

**EXHIBIT "B"**  
**Conventional Unit**  
**VAD-3738**  
**VGOB/97/10/21-0613**  
**(revised 10/15/97)**

000051 DEC-25

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Opal Bradley Unknown	Unleased	0.486000%	0.5477
	David S. Jessee and Thelma Jean Jessee, H/W PO Box 245 Norton, VA 24273	Leased-EREC 245279L 02	0.486000%	0.5477
	Jack E. Jessee and <u>Nora Jessee Heirs</u>			
	Jo Lynn Stephens, widow Unknown	Unleased	0.037400%	0.0421
	Jacqueline Stallard, widow 4500 Tree View Court Batavia, OH 45102	Unleased	0.037400%	0.0421
	Ralph B. Jessee and Irene Jessee, H/W 823 Pickett Way Cincinnati, OH 45245	Unleased	0.037400%	0.0421
	Betty Jessee, widow 121 Asbury Street Kingsport, TN 37660	Unleased	0.037400%	0.0421
	Melinda C. Grim and Paul Grim, W/H 957 ST RT 41, SE Washington Courthouse, OH 43160	Unleased	0.037400%	0.0421
	Greta Halcomb and James Halcomb, W/H 548 Lake Dexter Blvd. Winter Haven, FL 33884	Unleased	0.037400%	0.0421



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**VGOB/97/10/21-0613**  
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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Sybil Bettler and Daniel Bettler, W/H Evergreen Acres 9545 Napier Road Northville, MI 48167	Unleased	0.037400%	0.0421
	Susan Huffman and Richard Huffman, W/H Unknown	Unleased	0.037400%	0.0421
	Gerald R. Jessee and Peggy Jessee, H/W 823 Pickett Way Cincinnati, OH 45245	Unleased	0.037400%	0.0421
	David Jessee, Jr. and Sandra Jessee, H/W 407 47th S NW Bradenton, FL 34209	Unleased	0.037400%	0.0421
	Janeen Jessee Gragg and Gary Gragg, W/H 316 Wonderland Drive Kingsport, TN 37660	Unleased	0.037400%	0.0421
	George Larry Jessee and Helen K. Jessee, H/W PO Box 1574 Wise, VA 24293	Leased-EREC 245279L 01	0.037400%	0.0421
	Ronald S. Jessee, single 811 Pickett Way Cincinnati, OH 45245	Unleased	0.037400%	0.0421
	<u>Wilburn Jessee Heirs</u>			
	Hiram Beverly Unknown	Unleased	0.243000%	0.2739

**EXHIBIT "B"**  
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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	W. C. Jessee, Jr. Unknown	Unleased	0.243000%	0.2739
	<u>Martin Van Buren Jessee Heirs</u>			
	Lillian Mullins Unknown	Unleased	0.162000%	0.1826
	Rosa Bell Swindall Unknown	Unleased	0.162000%	0.1826
	Charlotte Shamblin Unknown	Unleased	0.162000%	0.1826
	<u>George Jessee Heirs</u>			
	Thelma Beverly Unknown	Unleased	0.081000%	0.0913
	Harold Jessee Unknown	Unleased	0.081000%	0.0913
	George K. Jessee Unknown	Unleased	0.081000%	0.0913
	Jewell Jessee Unknown	Unleased	0.081000%	0.0913
	Gale Edward Jessee Unknown	Unleased	0.081000%	0.0913
	Billy Jene Jessee Unknown	Unleased	0.081000%	0.0913
	<u>A. L. Jessee and Nannie H. Jessee Heirs</u>			
	Annie J. Beverly Unknown	Unleased	0.850500%	0.9585



**EXHIBIT "B"**  
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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Della J. Gilliam Unknown	Unleased	0.850500%	0.9585
	Lila Jessee, single Unknown	Unleased	0.850500%	0.9585
	Ulysses Jessee Unknown	Unleased	0.850500%	0.9585
	<b><u>Ollie Beverly and P.H. Beverly Heirs</u></b>			
	Thurston Banner Beverly Unknown	Unleased	0.425300%	0.4793
	Julia Beverly Dotson Unknown	Unleased	0.425300%	0.4793
	Maude Wheatley Unknown	Unleased	0.425300%	0.4793
	Rossie Wheatley Unknown	Unleased	0.425300%	0.4793
	Fronia Reedy Unknown	Unleased	0.425300%	0.4793
	Harriette Cofer Unknown	Unleased	0.425300%	0.4793
	Eva Irwin Unknown	Unleased	0.425300%	0.4793
	Eliza Wheatley Unknown	Unleased	0.425300%	0.4793

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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<u>Ira Jessee Heirs</u>			
	Nola Dotson Unknown	Unleased	0.486000%	0.5477
	Mary Collins Unknown	Unleased	0.486000%	0.5477
	Gilmer Jessee and Mary Frampton Jessee, H/W Unknown	Unleased	0.486000%	0.5477
	Charles Jessee Unknown	Unleased	0.486000%	0.5477
	Millard Jessee Unknown	Unleased	0.486000%	0.5477
	Dewey E. Jessee Unknown	Unleased	0.486000%	0.5477
	Bill Rita Jessee Unknown	Unleased	0.040500%	0.0456
	Jo Ann Jessee Unknown	Unleased	0.040500%	0.0456
	Buddy Jessee Unknown	Unleased	0.040500%	0.0456
	Donna Lou Mullins Unknown	Unleased	0.040500%	0.0456
	Linda Sue Mullins Unknown	Unleased	0.040500%	0.0456
	Francis Barrowman Unknown	Unleased	0.040500%	0.0456



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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Margaret Ann Cress Unknown	Unleased	0.040400%	0.0456
	Harriet Jean Baker Unknown	Unleased	0.040400%	0.0456
	Kyle Jessee Unknown	Unleased	0.040400%	0.0456
	Tina Jessee Unknown	Unleased	0.040400%	0.0456
	Dean Michael Jessee Unknown	Unleased	0.040400%	0.0456
	Lena Jessee Unknown	Unleased	0.040400%	0.0456
	<b>James Jessee and Wanda Jessee Heirs</b> Unknown	Unleased	3.402000%	3.8340
	<b>Joseph Jessee and Hattie Jessee Heirs</b>			
	Dora J. Jessee, single PO Box 2597 Wise, VA 24293	Leased-EREC 245279L 04	0.680400%	0.7668
	Nona Belcher, widow PO Box 728 Wise, VA 24293	Leased-EREC 245279L 05	0.680400%	0.7668
	Ethel Hubbard, widow 515 Montgomery Avenue Owensboro, KY 42302	Leased-EREC 245279L	0.680400%	0.7668

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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<u>Earl James Jesse Heirs</u>			
	Thelma Greene Jessee, widow 7164 Redwine Road Wise, VA 24293	Leased-EREC 245279L 06	0.680400%	0.7668
	<u>Olive Catherine Hancock Yeiser</u>			
	Sandra Hancock Miles and Felix Cravens Miles, W/H 660 Armstrong Drive Dandridge, TN 37725	Leased-EREC 245279L	0.340200%	0.3834
	<u>Gary Ray Hancock Heirs</u>			
	Linda Hancock Robertson and Henry B. Robertson, II, W/H 2340 Eastland Drive Owensboro, KY 42303	Unleased	0.056700%	0.0639
	Julia Hancock Wood and James Michael Wook, W/H 9537 Blake Circle Leland, NC 28451	Unleased	0.056700%	0.0639
	Gary Ray Hancock Jr. and Margaret Hancock, H/W 491 McCracken Road Lake Helen, FL 32744	Unleased	0.056700%	0.0639
	Jessica Nichole Hancock, single 166 2nd Avenue North, Apt 8 Nashville, TN 37201	Unleased	0.056700%	0.0639
	Shane Christopher Hancock, single Unknown	Unleased	0.056700%	0.0639



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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<u>William Howard Hancock Heirs</u>			
	Elizabeth Winegard Hancock, widow RR1, Box 291 Bell, FL 32619	Unleased	0.056700%	0.0639
	<u>Eliza Dotson and Simon Dotson Heirs</u> Unknown	Unleased	3.402000%	3.8340
	<u>S.S. Jessee and Pearl H. Jessee Heirs</u>			
	Neal P. Jessee Unknown	Unleased	0.425200%	0.4793
	Mabel J. Butterworth Unknown	Unleased	0.425200%	0.4793
	Elizabeth Jessee Unknown	Unleased	0.425200%	0.4793
	Lucy J. Hopkins Unknown	Unleased	0.425200%	0.4793
	S. Simon Jessee Unknown	Unleased	0.425200%	0.4792
	Dorothy Sue Jessee Unknown	Unleased	0.425200%	0.4792
	Peggy J. Martin Unknown	Unleased	0.425200%	0.4792
	Arthur Ray Jessee Unknown	Unleased	0.425200%	0.4792

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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<u>Charles (C. H.) Jessee Heirs</u>			
	Stewart Jessee and Eliza Jane Jessee, H/W PO Box 201 Wise, VA 24293	Leased-EREC 245279L 03	1.134000%	1.2780
	<u>Chas Winfred Jessee Heirs</u>			
	Julian Jessee Unknown	Unleased	1.134000%	1.2780
	<u>James Arnold Jessee Heirs</u>			
	Evelyn Jessee, widow 7355 Gap Creek Road Bulls Gap, TN 37711-2469	Unleased	1.134000%	1.2780
3	Steinman Development Company PO Box 249 Norton, VA 24273	Leased-EREC 241493L 01	5.540000%	6.24
4	Hershel Stanley, single PO Box 1242 Wise, VA 24293	Leased-EREC 244779L 02	0.052000%	0.0590
	John Larkin Stanley, divorced Route 1, Box 579 Coeburn, VA 24230	Leased-EREC 244779L 01	0.052000%	0.0590
	Raymond Edmond Stanley Heirs Unknown	Leased-EREC 244779L 03	0.052000%	0.0590
	Helen P. Cozzens and Lester W. Cozzens, W/H 10922 Coverstone Drive, Apt A2 Manassas, VA 20109	Leased-EREC 244779L	0.052000%	0.0590



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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Curtis D. Stanley and Myrtle Stanley, H/W Route 6, Box 233 Warrenton, VA 22186	Leased-EREC 244779L 05	0.052000%	0.0590
	James Larry Stanley, single Bland Correctional Center RR 2, Box 143 Bland, VA 24315	Leased-EREC 244779L 04	0.052000%	0.0590
	Alvin Harold Stanley and Alma Stanley, H/W PO Box 2088 Wise, VA 24293	Leased-EREC 244779L 06	0.052000%	0.0590
	David Roger Stanley and Linda Stanley, H/W 2031 Courthouse Road Catlett, VA 22019	Leased-EREC 244779L 07	0.052000%	0.0590
	Lottie Lucinda Cox Stanley, widow Unknown	Unleased	0.104000%	0.1180
<b>TOTAL</b>			<b>100.000000%</b>	<b>112.6900</b>
Percentage of Unit Leased			70.595200%	
Percentage of Unit Unleased			29.404800%	
Acreage in Unit Leased				79.5504
Acreage in Unit Unleased				33.1396

INSTRUMENT #970004889  
RECORDED IN THE CLERK'S OFFICE OF  
WISE COUNTY ON  
DECEMBER 2, 1997 AT 10:35AM  
J. JACK KENNEDY JR., CLERK